

City of Chelsea

“Managing”

**Five Year Financial Forecast
for Fiscal Years 2010-2014
and
Preliminary FY'10 Budget Overview**

to be Presented to the City Council

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Five Year Financial Forecast

Revenue and Expenditure Summary

	FY'10	FY'11	FY'12	FY'13	FY'14
REVENUES	116,512,147	119,991,467	123,841,677	127,844,243	125,654,432
% CHANGE	(1.50%)	2.99%	3.21%	3.23%	(1.71%)
EXPENSES	118,969,170	121,865,403	124,397,566	124,791,502	126,028,791
% CHANGE	0.58%	2.43%	2.08%	0.32%	0.99%
SURPLUS (DEFICIT)	(2,457,024)	(1,873,935)	(555,889)	3,052,741	(374,359)
FREE CASH BALANCE	2,160,136	511,201	180,312	3,458,053	3,308,694

Understanding the Numbers

REVENUES

- Governor Patrick has recommended severe non-school local aid cuts of \$128m for FY'09 and \$375m for FY'10. The City will lose \$996,065 in FY'09 and another \$1,922,095 in FY'10. Combined, the \$2.9m in cuts are \$3.3m below FY'01 highs, unadjusted for inflation (\$6.0m adjusted for inflation). The Legislature has yet to act on FY'10 local aid. Offsetting these cuts could be expanded statewide or new local option revenues, including a meals tax. Using the Gov's Proposal for FY'10, the local impact is:
 - General Municipal Aid is reduced to 29.5% to \$7,303,542
 - Chapter 70 School Aid is level funded at \$50,797,335
 - Increased Meals (\$972,720) and Rooms Taxes (\$188,690) provide the potential of a \$1,161,410 offset to the \$2,918,160 local aid cut, leaving the net local aid cut at \$1,756,750.
 - City may also adopt 1% Meals Tax which could equal another \$600,000.
- The future of Local Aid for FY'11-'14 is difficult to predict. For planning purposes the City is assuming no increase in General Municipal Aid for FY'11 and a 3% increase thereafter, and a 2.5% increase in School Aid in each year.
- Tax Levy is projected to grow by 2.5% plus New Growth. New Growth projections are increasing substantially as a result of pending residential development activity. The Overlay provision remains at the reduced level of 1.5% of the prior year levy.
- Fines & Forfeits projections are based upon the previous year's experience, while Licenses & Permits are expected to fluctuate as a result of lower building fee generating activity. Trash fees are expected to rise in the area of 5% yearly.
- Interest on Investment is projected to decrease slightly.

Understanding the Numbers

EXPENSES

- Overall spending is projected to increase by only 0.6% in FY'10.
- Salary Costs reflect up to a 4% increase in FY'09, and increases of 2%, 1%, 1%, 1% and 2% in FY'10-14. The assumed increases are for planning purposes and subject to negotiation with the City's various bargaining units. Three of eight contracts have been renewed to date, with 5 units in negotiation on contracts that expired at the end of FY'08.
- Health Insurance rates will increase by approximately 8.0%, including schools, for FY'10, 10%. Costs are projected to increase by 7.5% in FY'11 (based upon higher employee contributions still to be negotiated) and 10.0% annually thereafter.
- Retirement costs reflect the Gov's proposal to allow systems to use FY'09 as a base year and then assess the system 90% for FY'10, 95% for FY'11 and 100% for FY'12, then returning to an actuarial schedule thereafter. The City will avail itself of that option to smooth budget deficits and protect core services.
- Debt Service is based upon current and future infrastructure related costs. The retirement of the new schools loans will take place in 2016. Debt service, minus school loans, changes as the leveling of payments from the State increases deficits in FY'10-'12 and generates a surplus in FY'13. The impact in FY'10 adds \$900k to the project deficit. There is a balloon payment in the \$5m range in FY'16 that is unaddressed to date.
- The School Department is managing School funding shortfalls on its own, in the short-term through cuts and stimulus support. Long-term, cuts may be more difficult to find and stimulus or other types of supplemental funding more scarce. The City and the School Dept., therefore, will need to continue to work together to protect education while being mindful of fiscal realities.

Budget Pressures

SUMMARY

- After a period of moderate growth during the middle of the decade, the economy is now in recession and could be teetering on depression. Unfortunately, the State and many of its municipalities were still trying to recover from the last recession when the current recession hit. Difficult budgeting appears prolonged, extending out what may be the worst municipal finance period since the Great Depression.
- The worsening of an already chronic State budget crisis continues to have negative direct and indirect impacts on municipals budgets, including the City's. The most significant of those direct impacts is the status of non-school Local Aid, reduced by \$2.9m (30%) in FY'10. Non-school Local Aid, unadjusted for inflation, is down \$3.3m (34%) from FY'01 highs. Adding in a 2.5% inflation factor, the combined accounts are down \$6.0m (46%).
- Despite the City's ability to control discretionary spending, Employee Wages and Benefits, most notably Health Insurance and Retirement, continue to rise at rates well beyond inflation.
- Health Insurance will continue to increase significantly. Agreement on joining the State's health insurance system has not been reached with local unions, although the State is talking about mandating that communities join the system or vesting that decision with management.

Budget Pressures

SUMMARY (continued)

- Retirement assessments, aimed to recover from the lack of funding provided over decades of mayoral administrations, are substantially greater than the projected budget gaps. Market losses this past year will likely mean greater contribution rates for the immediate future or an extension of the funding schedules.
- The City has likely exhausted significant cost-cutting measures, and may only be able to rely upon significant service rollbacks, including, for example, taking a fire piece out of service, reducing library hours or closing the senior center, if other expenditures cannot be controlled and revenues do not increase.
- Employee wages will grow, although currently bargained contracts are being negotiated at lower increases than those bargained earlier in 2008. Grant funded and school positions could see reductions in force, while positions funded through the operating budget are not anticipated to be impacted by lay-offs in FY'10. Although the City appreciates the work of its employees, fiscal realities are such that bargaining units are being told to brace for a difficult FY'11, where reduced wage increases and higher health insurance contributions are a likely necessity to stave-off future fiscal difficulties.
- Property taxes are increasing by 2 ½% annually. New growth numbers, and associated building fees, are likely to be impacted as several large development projects are delayed, abandoned or valued at lower assessments as a result of the current economic climate.

Budget Pressures

SUMMARY (continued)

- Despite the times and contrary to trends in most places, certain non-property tax revenues, including excise tax and Payments In Lieu Of Taxes (PILOT) receipts, will not decline and will grow in FY'10, modestly, as direct City efforts to increase receipts in these areas meet with success.
- Free Cash and other reserves continue to dwindle, as the City's financial crisis planning proposes to rely on reserves, in combination with prudent budget cuts and appropriate revenue raising, to, hopefully, weather the current budget storm. Adjusted for inflation, the lack of growth in non-school Local Aid has cost the City \$26.4m through FY'10.
- As reserves dwindle, the City's financial flexibility becomes more restricted.
- School Aid, while more plentiful during this decade (up 35% since FY'01), partially protected through level funding and otherwise supported through stimulus availability, may be even more limited in the out-years, thereby requiring additional collaboration between the City and Schools to strike a balance between educational needs and budget affordability.
- Without success in constraining spending, difficult because spending has been regularly constrained this entire decade; promoting revenue growth through an aggressive economic development agenda, which may have difficulty succeeding given the condition of the economy, and adoption of the State health insurance option, which requires the approval of 70% of the City's unions, one or a combination of three occurrences may need to take place to balance out-year budgets: a depletion of Stabilization balances, deep service cuts that are a result of significant layoffs and/or a Proposition 2 ½ Override.

Budget Pressures

BUDGET BUSTERS FY'10 - EXPENDITURES

- In addition to the budget expansion caused by wage increases, contracts for service, supplies, energy and the like, “Budget Busters” have historically had a significant impact on the City’s budgets. In FY’10, Budget Busters of significant impact are:
 - Health Insurance, which will *rise* 8.00%, or \$477,925, for the City (not including Schools). Employees are now paying 15% towards HMO coverage, with the small number choosing an indemnity plan paying 25%. The City, like most other entities, public or private, continues to grapple with near or at double-digit increases and searches, with varying success, for substantive relief. Absent the City finding savings by joining the State health insurance system, pressure will continue to mount for an increase in employee premiums to 17.5% in FY’11; an increase in retiree health insurance premiums, maybe to 25% in FY’11; a reduction of services; a further reduction in reserves, and/or other fiscal stress.
 - Retirement costs will decline should the City accept an option to maintain payments at 90% of the FY’09 level in order to be spared even further budget difficulties. The acceptance of this option pushes off expenses to the out years and beyond. Significant losses in the stock market are likely to bump future retirement costs up.

BUDGET BUSTERS FY'10 – REVENUES:

- Non-School Local Aid shortfalls, caused by cuts and underfunding of main accounts as compared to their FY’01 historic highs, have dramatic annual and cumulative impact on the City’s budget. In FY’10, the City will receive a 30% cut from that amount budgeted in FY’09. Since FY’01, Lottery Aid and Additional Assistance are down 34%, or \$3.3m. Adjusted for inflation, the underfunding equals \$6.0m. Cumulatively since FY’01, the City has lost \$13.6m to date. Factoring in inflation, a total of \$26.4m has not been realized to support local services and needs over the last nine years.

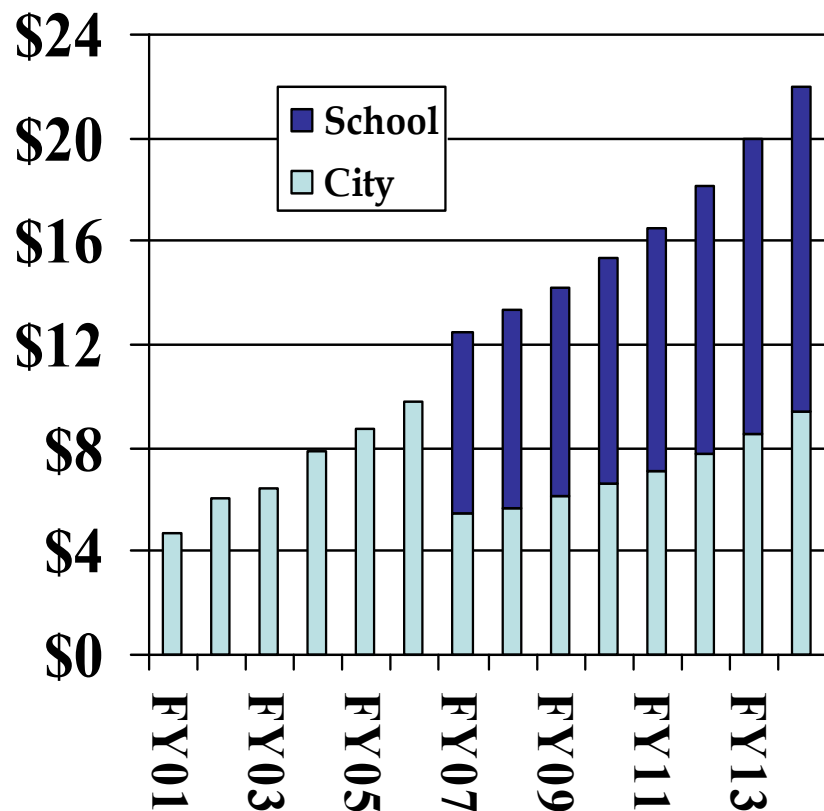
Budget Pressures

Expenditures:

- By contract, the City covers 85% for HMO and 75% of Indemnity and Medex costs for employees. The same coverages are provided for eligible retirees.
- The City has previously attempted to control costs by joining the City of Boston's health insurance system; agreeing to higher co-pays, deductibles and employee contributions, and reducing the overall number of plans offered.
- Despite those efforts, Health Insurance has risen \$10.7 million, for an average combined 14% increase, from FY'01-FY'10 for the City and Schools.
- Health Insurance will increase by 8.0% in FY'10 and a projected 7.5% in FY'11 and 10% beyond.
- School contracts call for an increase from 15% to 17.5% in employee contributions in FY'11. City-side contracts for FY'11 have not been negotiated yet.
- Negotiations continue with local municipal union leaders to join the State's GIC. The City estimates such a move could cut overall health insurance contribution costs for the City and employees by 15%.

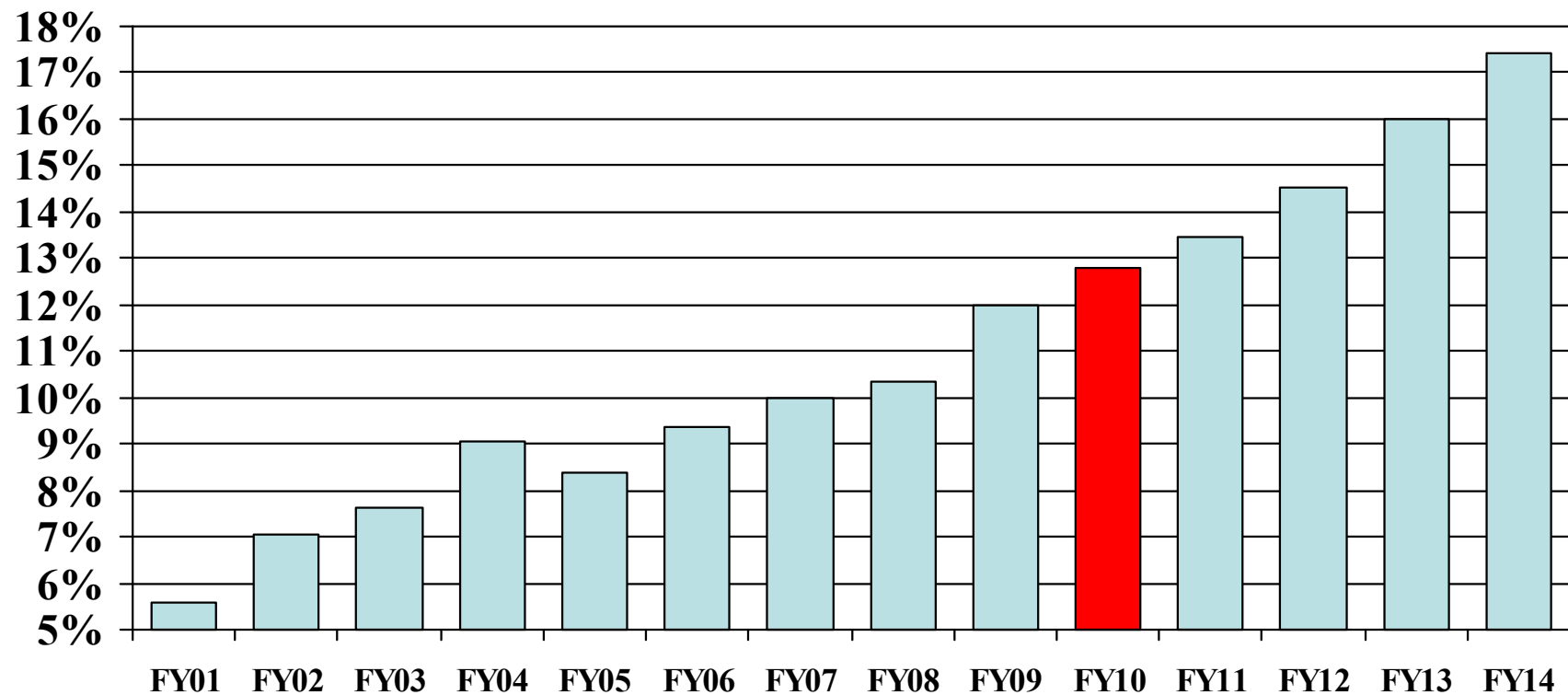
Health Insurance Costs

amounts in millions - net of employee contributions



Budget Pressures

Health Insurance as Percent of Total Budget

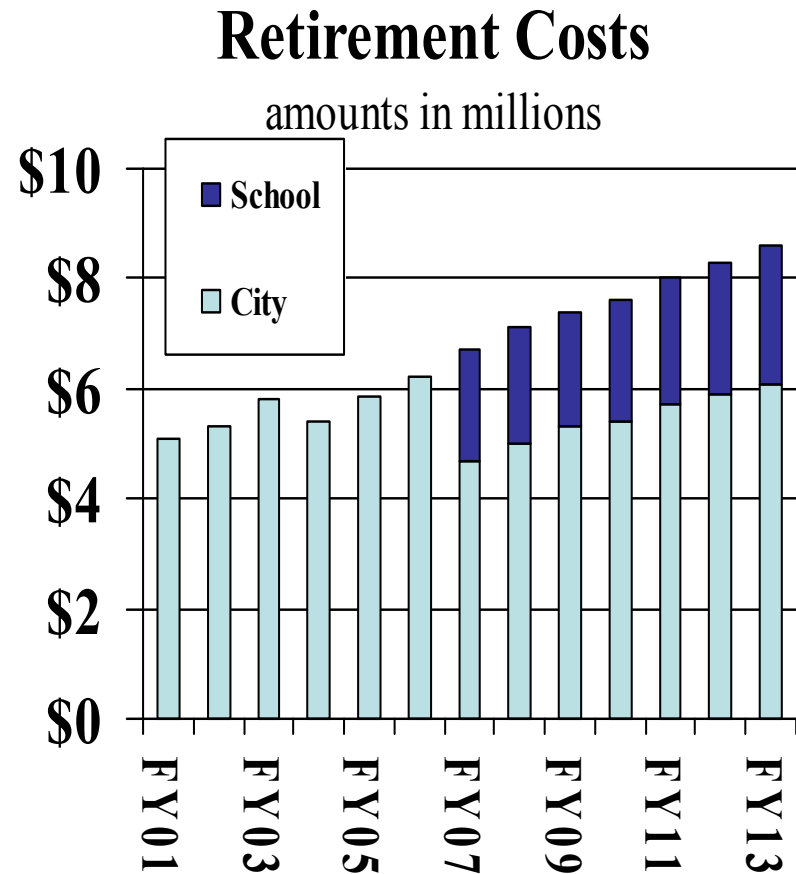


Reflects combined City and School expenditures

Budget Pressures

Expenditures:

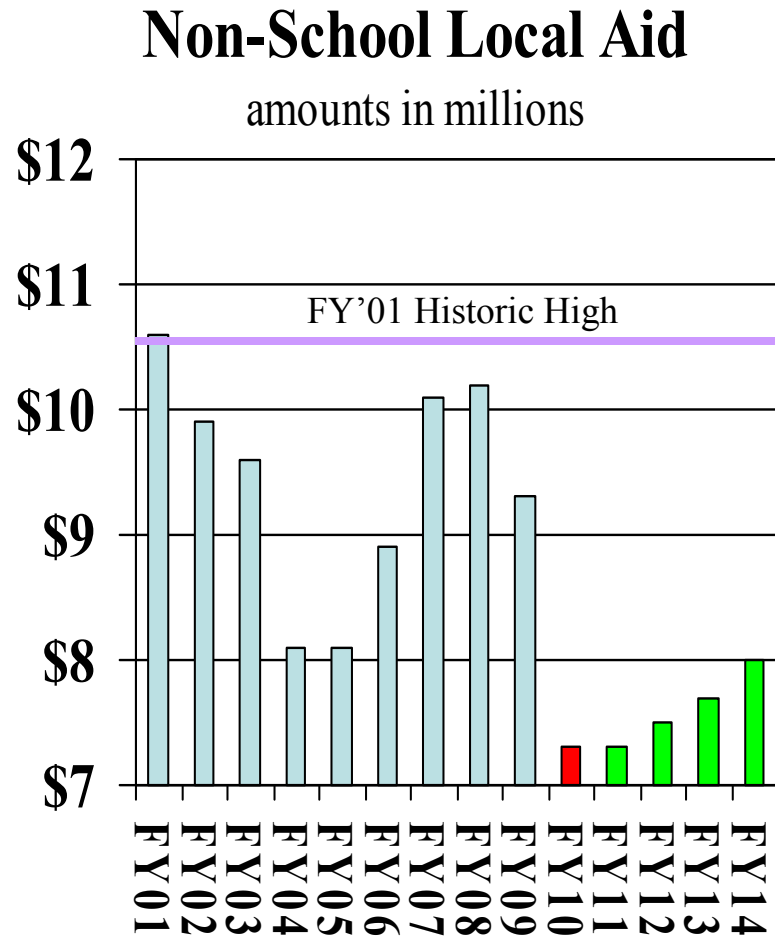
- The City is required to make annual payments into its Retirement System as a benefit to employees and on a schedule to fully fund the system by 2025, three years earlier than State law requires.
- The City will seek to adopt the Gov's proposal to allow systems to take the FY '09 base year and pay 90% of that for FY'10, 95% for FY'11 and 100% for FY'12.
- The impact of accepting the Gov's funding proposal will be to ease current budget problems but increase payments in the future.
- The stock market's poor performance will also result in increased future payments.
- Approximately 80% of annual charges reflect "catch-up" payments to fully fund the system.
- Catch-up payments continue to grow into 2025, including just under \$6m in FY'10 to just over \$10m in FY'25.
- Retirement costs, schools included, increased by an average of 5.6% from FY'01 to FY'09, and are projected to rise at twice the rate of overall budget growth in the out years.
- The City voluntarily entered and remains in the State's system for asset management.



Budget Pressures

Revenues:

- Non-school Local Aid (LA) provides funding for general gov't and is comprised of Lottery Aid and Additional Assistance.
- In FY'09, the State reduced the two accounts, mid-year, by \$996,000.
- In FY'10, the State combines the two and reduces LA almost \$2m more, leaving a combined reduction of \$2.9m, a 30% cut.
- For FY'10, LA of \$7.3m is \$3.3m less than FY'01, or 69% of the historic LA high.
- The cumulative loss in LA from FY'01-'10 is \$13.6m (meaning \$13.6m in Free Cash has been used to make up for LA shortages).
- Adjusted for 2.5% inflation since FY'01, LA is down \$6.5m for FY'10, far eclipsing the City's proposed deficit. Cumulatively, the total loss from FY'01-'10 is \$26.4m.
- The Governor proposes to direct \$1.2m in higher meals and rooms taxes, and to allow for a 1% meals tax as a local option, which could result in another \$600,000. (Meals tax is not factored into this slide.)



Budget Pressures

BUDGET TRENDS FY'10 & BEYOND

On the positive:

- The City's past fiscal success and discipline allows for the impact of FY'09 and FY'10 non-school Local Aid cuts and other recessionary revenue losses to be offset by the use of reserves.
- The City's management of reserves continues to allow for the maintenance and expansion of critical services without the need for layoffs in general municipal services, which includes public safety but excludes education and grant fund positions.
- Major economic development initiatives, including the City's 1,200-unit housing goal, remain promising, thereby providing the potential for increasing new growth and building permit fees to offset otherwise more looming deficits.
- Debt Service is declining is generally declining due to the repayment of school construction loans and the constraint on borrowing for other capital projects.

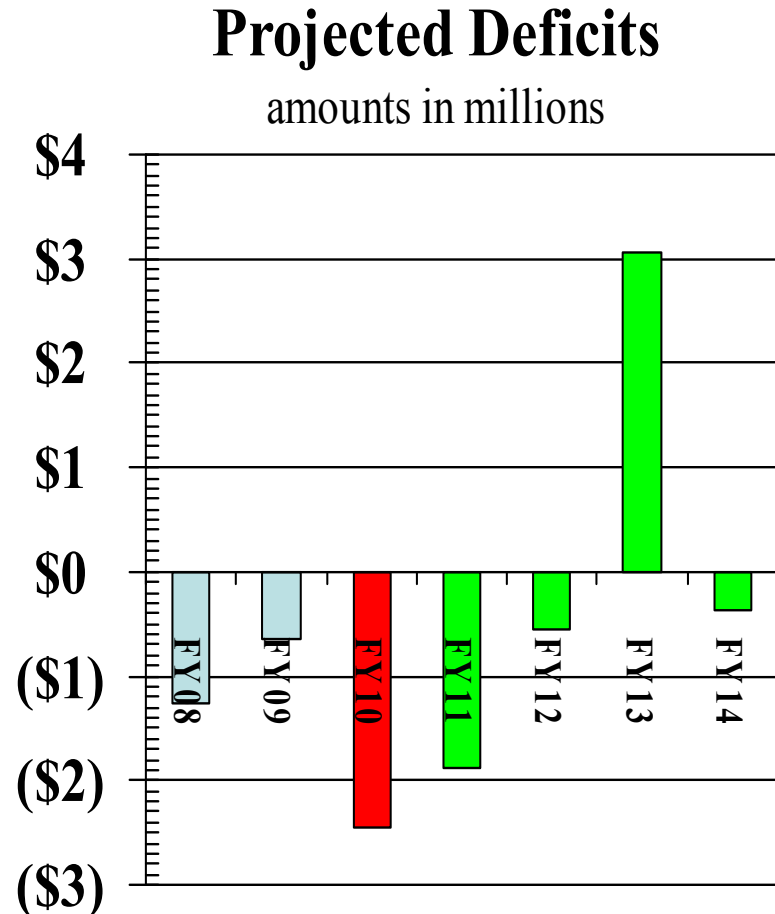
On the negative:

- The City strong financial position may not be enough to advert the disastrous consequences of the worse financial crisis to hit since the Great Depression.
- Local Aid is stagnant and well below historical absolute and time adjusted highs.
- Locally raised revenues, especially critical new growth related to economic development, may not grow at rates necessary to offset static Local Aid levels and increasing spending requirements, especially non-discretionary spending.
- Health Insurance is increasing 8% (City and Schools combined) for FY'10, and has increased an average of 14% for the years FY'01-'10.
- Both Health Insurance and Retirement, despite a brief deferment of increases, costs will continue to grow beyond general budget growth, meaning employee benefits will continue consuming larger portions of the City's annual spending.
- Merited labor wage increases may be unsustainable as they impact projected structural deficits.
- Free Cash is dwindling, reducing budget flexibility and potentially impacting core municipal services.
- School Aid must be raised as a concern in the out-years.

Budget Pressures

FIVE YEAR DEFICITS:

- Deficits, driven by reduced Local Aid and expanded by skyrocketing Employee Benefit costs, do exist in each of the next five years:
 - FY'10 (\$2.457m)
 - FY'11 (\$1.874m)
 - FY'12 (\$.556m)
 - FY'13 \$3.053m
 - FY'14 (\$.374m)
- The cumulative loss for the 5 years is \$2.208m. The FY'13 surplus, which offsets the deficits in the other four years, is a result of an increased school loan payment.
- The balances reflect City success in attracting development, an expected but highly volatile assumption that could thrust City budgets into chaos if not realized.
- The City is not alone in projecting deficits. Many other municipalities are experiencing similar budgetary pressures, or worse.
- Local management has resulted in fund balances available to offset deficits.



Budget Pressures

Year End Balances and Items of Impact

<u>FY'10</u>	<u>FY'11</u>	<u>FY'12</u>	<u>FY'13</u>	<u>FY'14</u>
<i>Projected (Deficits) and Surpluses</i>				
(\$2,457,024)	(\$1,873,935)	(\$555,889)	\$3,052,741	(\$374,359)
<i>Reduced Local Aid (from FY'01 high, unadjusted for inflation)</i>				
\$3,324,815	\$3,324,815	\$3,105,709	\$2,880,029	\$2,647,579
<i>Reduced Local Aid (from FY'01 high, adjusted for 2.5% inflation)</i>				
\$5,969,819	\$6,301,653	\$6,422,677	\$6,545,630	\$6,670,529
<i>Change in State Repayment of School Construction Loans</i>				
(\$910,693)	(\$639,575)	(\$320,589)	\$2,832,993	
<i>Health Insurance Increases (Projected FY'10-'14)</i>				
\$477,925	\$483,898	\$693,588	\$762,947	\$839,242
<i>Retirement "Catch-Up" Charges (Projected FY'10-'14)</i>				
\$5,357,862	\$5,655,521	\$5,953,180	\$6,600,397	\$6,831,411

Deficit Reduction Plan

1,200-Unit Goal

- The City established a goal of promoting the development of at least 1,200 units to, in part, expand the local tax base. Since that goal was announced in 2005, targeted economic development activity has led the City to meet and exceed the target set. The following discusses the various housing projects contemplated or underway in the city, the status of those projects, the anticipate one-time building fees associated with the projects and the anticipated property tax growth the projects are expected to contribute:

Project	Units	Status	Building Fees	Property Taxes
Forbes Phase I	64	Under Construction	<i>\$100,000</i>	\$160,000
Atlas Phase I	60	Completed	<i>\$95,000</i>	<i>\$135,000</i>
Parkway Plaza	238	Completed	<i>\$500,000</i>	\$500,000
Forbes Phase II	70	Permitted	\$175,000	\$210,000
Atlas Phase II	60	Under Construction	<i>\$126,000</i>	\$135,000
Atlas Phase III	51	Permitted	\$102,000	\$110,000
Admirals Hill	160	Under Construction	<i>\$345,000</i>	\$400,000
Urban Ren. Phase I	280	Stalled	\$400,000	\$600,000
Scattered Sites	150	Various	\$350,000	\$350,000
Webster Block	180	Permitted	\$300,000	\$325,000
Forbes III	164	Planning	\$370,000	\$442,000
Urban Ren. Phase II	250	Pre-Planning	\$500,000	\$650,000
TOTAL	1,727		\$3,363,000	\$4,017,000

Italics indicate funds already received

Deficit Reduction Plan

Impact of 1,200-unit goal on Projected Deficits

FY'10	FY'11	FY'12	FY'13	FY'14
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Deficit with 1,200-unit goal (Numbers reflect 1,727 units taxable by FY'14)

(\$2,457,024)	(\$1,873,935)	(\$555,889)	\$3,052,741	(\$374,359)
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Deficit without 1,200-unit goal (Numbers reflect no new units)

(\$2,895,024)	(\$3,269,935)	(\$2,183,889)	\$468,741	(\$3,930,359)
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Projected Use of Reserves

	FY09	FY10	FY11	FY12	FY13	FY14
General Fund						
Free Cash Cerified at Start of Year	5,642,160	4,392,160	2,160,136	511,201	180,312	3,458,053
Free Cash Used for Budget Gap	0	(2,457,024)	(1,873,935)	(555,889)	0	(374,359)
Supplemental Appropriations of Free Cash	(1,600,000)	(125,000)	(125,000)	(125,000)	(125,000)	(125,000)
Years Net Activities Affecting Free Cash	350,000	350,000	350,000	350,000	3,402,741	350,000
Free Cash Estimated at Year End	4,392,160	2,160,136	511,201	180,312	3,458,053	3,308,694
Stabilization Balance at start of Year						
General 7020	3,891,606	4,047,270	4,209,161	4,377,527	4,552,629	4,734,734
Capital 7022	903,140	939,266	976,836	1,015,910	1,056,546	1,098,808
Planning and Development 7021	151,291	157,343	163,636	170,182	176,989	184,069
<i>assuming a 4% investment return</i>						

Potential Future Budget Impacts

ON THE POSITIVE

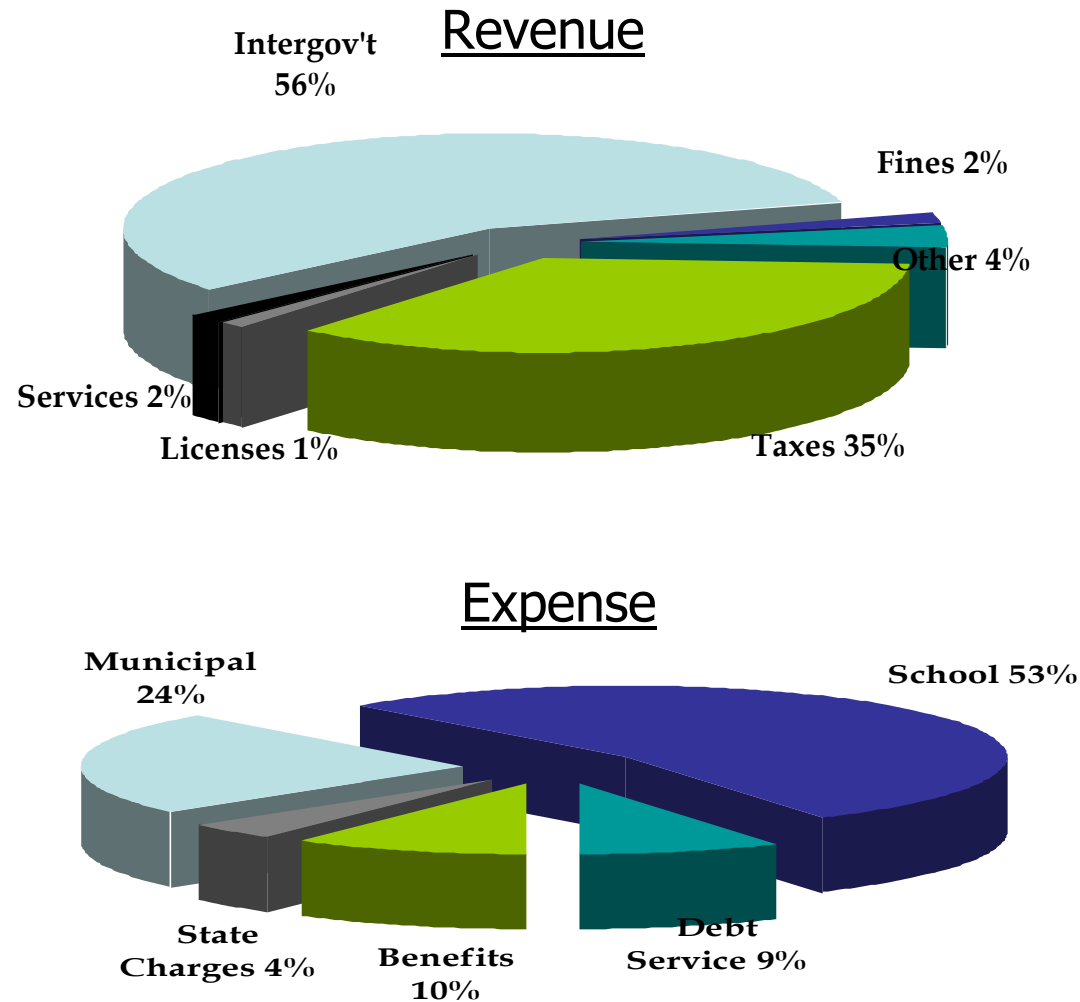
- The City was not one of the 66 communities (19% of all cities and towns) that needed to seek a Proposition 2 ½ Override in 2008. Nor does the City project needing to seek an Override in 2009.
- Switching to the State's health insurance system could save 10-15% of health insurance premiums, more than \$1m, for both the City and its employees, and lead to smaller annual increases.
- The City is active in statewide policy discussions that could lead to reduced impacts from health insurance, retirement and charter school costs, as well as the regionalization of services to maintain and improve efficiencies.
- Promising economic development could lead to further increases in building fees, property taxes, hotel/motel excise taxes and motor vehicle excise taxes.
- As other communities experience more dire difficulties, the solutions to their problems may provide a benefit to the City.
- A local option meals tax could provide additional local revenues.

ON THE NEGATIVE

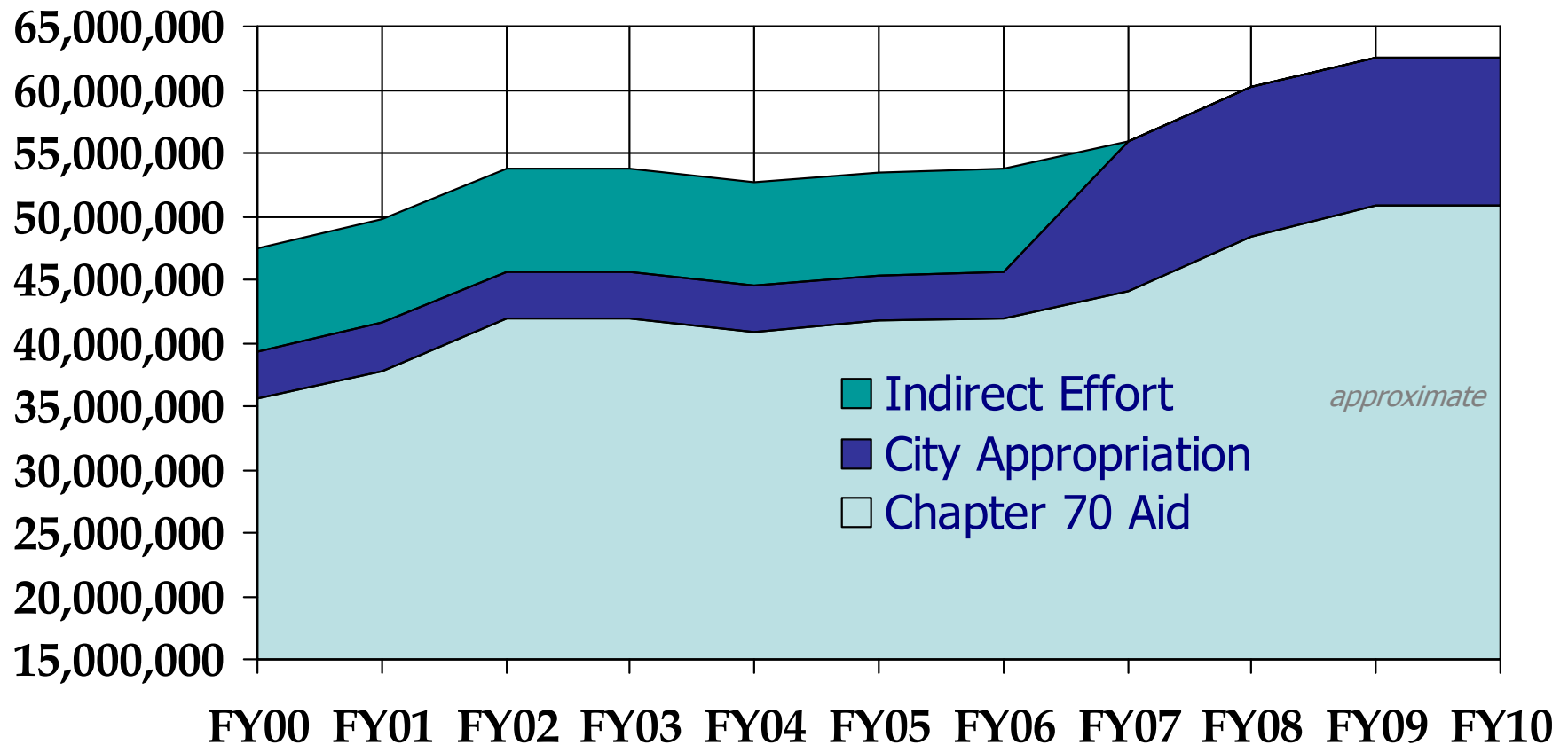
- Failure of an aggressive economic development agenda would leave substantial budgetary gaps.
- The lingering State budget crisis and current recession could lead to further local aid reductions and other revenue impacts.
- Motor Vehicle Excise Tax receipts could be reduced if local airport related parking is negatively impacted by future airport and airline issues, or if consumers continue to put off buying new or newer vehicles.
- Failure of the State to adopt expanded meals and hotel tax, and/or the City failing to adopt a local option, will reduce available revenues by more than \$1m annually.
- Potential federal reductions in Medicare reimbursements could result in funding shortfalls to support necessary school health programs.
- Utility costs have stabilized but could return to higher levels.
- Schools may require more than the City budget can allot.
- Failure to replenish reserves, or completely spending reserves down, could require dramatic service impacts or a need for a Proposition 2 ½ Override if the current economic downturn is prolonged.

FY'10 Budget

General Fund Revenue & Expenses



School Department Funding



Water and Sewer Enterprise Funds

- As Enterprise Funds, all costs associated with water and sewer services shall be recouped through Water and Sewer revenues.
- The largest revenue source for the Funds are user fees, which accounted for 99% of fund revenues in FY'09. That percentage should drop to 98% in FY'10 as newly assessed fees for connections and testing should raise 1% more in revenues.
- The largest expense for the Funds are the annual MWRA Assessments, a formula driven charge. Preliminary Assessments indicate a 14.0% increase in MWRA assessments for FY'10, relating to new population estimates that reflect a double-digit percentage growth in the City's population.
- Because the MWRA Assessments comprise more than 50% of expenses for the funds, the City expects the actual rate increase for Fund users to be just under 10% for FY'10. The City hopes to be able to drive the rate down further with additional cost savings related to the implementation of the new metering system.
- Other charges to the funds include direct expenses to pay the RH White maintenance contract and other charges, indirect expenses to pay for other employee allocation costs of the General Fund, and debt services to pay for the continuing update of water and sewer infrastructure.
- The City is seeking to control the impact of debt service on assessments, but must also update a system that still has significant age to it. Thus, the goal of keeping costs low but keeping reliability of the system high can sometimes be in conflict. While managing that conflict, local charges are about average when compared to other MWRA users.

Municipal Costs Affordability Index

- The City reviews data from 7 neighboring cities (Boston, Everett, Lynn, Malden, Revere, Somerville and Winthrop) to chart a Municipal Costs Affordability Index. Below, the chart refers to those communities anonymously, but lists out average property tax and water & sewer bills for the average single-family owner occupied unit in each city in FY'09.
- The data below indicates that municipal charges are less in Chelsea than all other cities.

City	Average Tax Bill	Combined Water & Sewer Bill	Combined Homeowner Costs	% Above Chelsea Cost
A	\$3,638	\$1,448	\$5,086	61%
B	\$3,318	\$1,290	\$4,608	46%
C	\$3,318	\$1,069	\$4,387	39%
D	\$3,109	\$1,257	\$4,366	38%
E	\$2,923	\$971	\$3,894	23%
F	\$2,762	\$1,019	\$3,781	20%
G	\$2,557	\$674	\$3,231	2%
<i>Average</i>	<i>\$2,954</i>	<i>\$1,111</i>	<i>\$4,064</i>	<i>29%</i>
Chelsea	\$2,003	\$1,156	\$3,159	

Conclusion

- The current municipal finance environment, of trouble for the last nine fiscal years and the most severe since the Great Depression, continues to threaten the viability of municipalities throughout the commonwealth and country.
- Yet, we are “managing” these times without dramatically negative consequences, so far.
- Out-years are severely impacted by reduced Local Aid and growth in non-discretionary spending areas, most notably, Health Insurance (under 6% of the budget in FY’01 and nearly 13% of the budget in FY’10) and Retirement. The City has played a significant role in raising the statewide debate about these three “Budget Busters.”
- With about 56% of the City’s revenue coming from Local Aid (down from 67% in FY’01), the lagging State budget crisis continues impacting the City’s budget. In FY’10, non-school Local Aid will provide only 69% of that from FY’01. Cumulatively, and not accounting for inflation, non-school Local Aid reductions will cost the City \$13.6m from FY’01-’10. Adjusted for inflation, the City is receiving \$6.5m less in non-school Local Aid in FY’10, and has lost \$26.4m this decade.
- Although level funded through FY’10 (with a 35% increase in School Aid since FY’01) and eligible for stimulus funding, the Schools are facing a \$2.0m shortfall for FY’10 which will require position and program reductions.
- Central to City’s deficit reduction plans is the development of more than 1,200-units of housing. Absent that, Reserves would be completely exhausted and other deficit reduction plans would be insufficient to bring the FY’12 budget into balance.

Conclusion

- A municipal tax and fee study examining property tax and water & sewer fees for the City and seven neighboring communities finds that the City is the least expensive place to be a single-family owner occupant.
- The City saved in “good times” to have Reserves to fund operations in “bad times.” Those Reserves will now be counted upon to provide budget stability during these tough financial times, while the City looks for cost savings and revenue enhancements elsewhere to continue budget stability into the out-years.
- With no local Prop. 2 ½ Overrides projected, the City’s affordability should remain as such, while the City continues to maintain and expand core municipal services.
- No overrides, no general layoffs, no major services reductions, but little margin for error, or, more likely, little margin for additional impacts from a State budget in crisis or a further decline in the economy.
- Numerous issues will confront the City in the out-years, including a major balloon payment to retire school construction debt in FY’16, deferred and costly infrastructure needs, the impact of restrained employment levels and overall education spending.
- Opportunities may exist for further efficiencies and savings to City government, and the City continues to be at the forefront of advocating for statewide policy action to allow all of the Commonwealth’s communities to take advantage of the same.
- Where once the City was the only to succumb to a minor recession, the City is “managing” through this significant recession, and will continue to rely upon analysis, foresight, planning, and administration to outlast the current financial times and promote the betterment of government on behalf of the entire community.